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UNCLAS VIENNA 003852

SIPDIS

SENSITIVE

STATE FOR EUR/OHI AND EUR/AGS

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SUBJECT: GSF Payments to Begin; Reconciliation Fund Wraps Up

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Start of GSF Payments

[11.](#) (U) At a December 9 press conference, Parliamentary President Andreas Khol (and chairman of the General Settlement Fund, or GSF) and GSF Secretary General Hannah Lessing announced that, as a result of the dismissal of the Whiteman case by the U.S. federal court for the southern district of New York on December 7, the GSF will commence advance payments before the end of 2005. (The January 2001 U.S.-Austrian Washington Agreement set up the GSF to provide payments to victims of National Socialism and their heirs.) On December 13, the cabinet will declare legal peace, paving the way for the advance payments. The GSF Claims Committee will meet December 14, and the GSF board on December 15. The GSF will then send letters to 2,700 claimants whose cases have been processed and decided, informing them about the advance payments. After their reply and acceptance, the GSF will transfer the money to them. A further 3,000 claims (out of a total of 19,300) are ready for Claims Committee action. Khol and Lessing estimated that approximately 1,000 - 1,200 payments will follow each month.

Size of Payments

[12.](#) (U) Regarding the size of the payments out of the USD 210 million GSF, Khol said that, as advance payments, claimants will receive a percentage of the loss claimed. The ceiling for an advance payment is USD 2 million. Khol indicated that, in the GSF's pro-rata distribution system, these advance payments will be fairly close to the final sum awarded to claimants. The GSF commissioned two analyses by university statistics institutes to determine the percentages for the advance payments.

GSF Law and Amendment

[13.](#) (U) The original law setting up the GSF went into force the day it was gazetted, on May 28, 2001, under Federal Law Gazette number 58/2001. The Lower House of Parliament passed the amendment of the GSF law providing for the possibility of advance payments on November 16, 2005; the Upper House followed suit December 1. Promulgation of the amendment should take place within a few days.

Reconciliation Fund

[14.](#) (SBU) The Reconciliation Fund to compensate Nazi-era forced and slave laborers held the last meeting of its board of trustees on December 5. In total, the Fund has spent 352 million Euro to compensate over 131,000 former forced and slave laborers. EUR/AGS Director A. Daniel Weygandt represented the U.S. at the meeting, which accepted the accounting reports of the Fund's payments and decided on further projects for use of the Fund's surplus. The meeting also addressed problems with the Polish partner organization, which could not provide full documentation on the use of money earmarked for Polish former forced and slave laborers. The Polish organization has also failed to transfer its unexpended surplus back to the Reconciliation Fund for inclusion in the Future Fund.

MCCAW